

Equator Principles – 2024 Reporting

By adopting the Equator Principles, Natixis acknowledges the importance of environmental, health, safety and social risks (the “E&S” risks) of financed projects. The Bank is committed to apply - alongside 128 other financial institutions (EPFIs) – an agreed risk assessment and management framework, leading its customers to minimize, mitigate and address project impacts on the environment and society.

In order to apply the Equator Principles to its various project-related financings, Natixis has adopted a dedicated internal organization and credit approval process, and delivered regular training sessions. Business sectors subject to the Equator Principles within Natixis are mainly renewable energy, infrastructures, and mining.

► Implementation and organization

The ESG Risk team reporting to Natixis’ Risk department, is in charge of Natixis’ Equator Principles application. The ESG risk team is fully integrated within the Credit Risk Department which, as such, is in charge of setting up the organizational structure needed to apply and monitor the application of the Equator Principles.

This organizational structure is based on the principle that both the business lines and the ESG Risk team are involved in the assessment and management of transactions.

The business lines are directly involved in assessing the E&S risks of transactions and appraising the adequacy of the client's E&S management systems, which are considered to be an integral part of the overall assessment of risk quality.

The assessment evaluates compliance with the requirements of the host country and international laws, and for project located in non-designated countries ¹, the requirements of the IFC Performance Standards and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

Each transaction subject to review is categorized (A = significant adverse E&S impact, B = limited adverse E&S impact, C = minimal or no adverse E&S impact) according to the International Finance Corporation (IFC) classification, which affects the internal credit approval process (see below).

For category A and most category B transactions, a prior review of E&S documentation must be performed by an independent consultant, and an on-site visit and interviews conducted, primarily in order to validate the conclusions of the initial analysis and determine any additional actions needed to correct and mitigate the impacts as much as possible.

An action plan is then drafted and added to the project’s financial documentation so that the borrower is required to comply with the actions provided for throughout the loan’s lifetime.

¹ Countries not appearing on the list of designated countries available on the website of the Equator Principles Association (<http://equator-principles.com/designated-countries>). Designated countries are countries deemed to have a robust legislative and regulatory framework.

For category A and B transactions, the ESG Risk team conducts its own review of the project's E&S documentation and the independent consultant's report, at the same time as the business line is doing its analysis. For transactions arranged by Natixis, the ESG Risk team also assists the business lines to prepare and monitor the independent consultant's review and to conduct the various steps leading to the financial close².

Special attention is focused on transactions hosted in non-designated countries generating potentially high E&S risks.

An E&S Appendix, summarizing the key components in the project's evaluation, must be presented for any new transaction pending credit approval. This appendix is prepared by the business line and, for category A and B projects, expanded on by the ESG Risk team, which validates or amends the project category and outlines its position and recommendations on the project.

The E&S Appendix is an integral part of the credit application; accordingly, the various members of the credit approval body study this document before making any decisions. For category A projects, the procedure provides for referral to a higher-ranking credit approval body.

The transactions undergo E&S monitoring throughout the loan's lifetime.

Where it is deemed appropriate, the ESG Risk team may notify and inform Natixis's senior management of any E&S-related aspects of transactions through senior reputational risk committees (among other possibilities).

The ESG Risk team is also called upon to oversee and manage the E&S risks and impacts of transactions located beyond the scope of the Equator Principles.

► Team training

The ESG Risk team has pursued over the year the training program initiated in 2014 by delivering regularly sessions to business lines and support functions teams. Business lines, Risk Department, Compliance and Legal Departments, from various regions were given training on the proper implementation of the Equator Principles.

Beyond this, the ESG Risk team provides permanently assistance for any queries raised concerning E&S business matters.

² Where the conditions precedent have been met.

► Activity

The current report includes data that EPFIs are required to provide on the basis of transactions that were reviewed under the Equator Principles assessment framework and reached financial close³ during the reporting period.

Natixis' activity during the reporting period running from January 1 to December 31, 2024, is presented in the tables below ⁴:

Number of project finance transactions (PF), project-related refinance & acquisition for Project Finance that reached financial close:

	BREAKDOWN BY CATEGORY		
By sector	Category A	Category B	Category C
Mining	2	1	
Infrastructure	1	2	8
Oil and Gas	1	2	
Power (o/w Renewable energy)	1 (1)	32 (30)	1 (1)
Others	2	1	
By region	Category A	Category B	Category C
Americas	1	24	6
Europe	2	9	2
Middle East and Africa	2	1	
Asia-Pacific	2	4	1
By country designation (i)	Category A	Category B	Category C
<i>designated countries</i>	5	33	8
<i>non-designated countries</i>	2	5	1
Independent review (ii)	Category A	Category B	Category C
Yes	7	38	9
No			

³ Where the conditions precedent have been met

⁴ Note: the number of transactions reviewed in 2024 was significantly higher than the number of transactions that reached financial close in the same year. This was due both to time-lag effect until financial close and failed transactions. Also, and as a reminder, only the transactions that are eligible to the Equator Principles are reported here, by definition excluding non-eligible transactions for which Natixis may require that an environmental and social due diligence be conducted. Thus, the present Equator Principles reporting does not reflect Natixis' comprehensive activity which is significantly broader.

(i) The list of designated countries is available on the website of the Equator Principles Association. Non-designated countries are countries not appearing on this list.

(ii) A review is conducted by an independent consultant for most transactions. Nevertheless, transactions with minimal impacts may not systematically be reviewed by an independent consultant.

Number of project-related corporate loans (PRCL), project-related refinance and acquisition for PRCLs that reached financial close:

No transaction reached financial close in 2024.

Number of project finance-related financial advisory mandates signed:

No mandate signed in 2024.

Name of project finance transactions having reached financial close in 2024:

EPFIs are required to annually report to the Equator Principles Association the names of project finance transactions that reached financial close and were subject to review.

Natixis' 2024 report of project names has been published in the course of 2025 and is available on the Association's website:

<https://equator-principles.com/report/natixis-2024/>